

## Russia's New Transport Union To Change Map of Eurasia

by Rachel Douglas

The creation of a Eurasian Transport Union (EATU), announced May 15 by Russian Minister of Transport Sergei Frank, provides an institutional venue for deliberations among the nations of Eurasia, and any others, interested in building great infrastructure projects as a road out of economic depression. The EATU will, said its Vice President Yuri Shcherbanin, be a "standing secretariat" of the International Eurasian Conferences on Transport, of which the first two were held in St. Petersburg in 1998 and 2000, and the third is scheduled there for 2003.

As *EIR* editorialized last week, Russia's commitment to developing transport corridors—the railway component of what can become the most intensive agro-industrial development ever seen on the planet—coincides with year 2004 U.S. Presidential pre-candidate Lyndon H. LaRouche, Jr.'s proposals for a U.S. recovery program. The effort to build rail-centered corridors of high-technology transport, power and communications infrastructure opens the door for global economic reforms. These, LaRouche says, "match exactly the strategic priorities I have placed upon emergency re-regulation of energy production and distribution, and revival of the Hill-Burton tradition in health-care inside the U.S.A. itself."

Frank said that the EATU is open for countries, transport companies, other firms and organizations to join. The new organization will promote the rapid build-up of international Eurasian railroad-centered transport corridors across the territory of Russia. This activity includes upgrading existing infrastructure, such as the rail and port facilities of the Trans-Siberian Railroad, and developing a new north-south corridor, from Europe through Iran and Russia to India.

The north-south rail and water corridor immediately involves India and Iran in the EATU. It was preliminarily agreed on at the Second International Eurasian Transport Conference last year (see *EIR*, Sept. 29, 2000). The shipping route from

India to Moscow is reduced by nearly two-thirds in distance, compared with shipment by sea through the Suez Canal; and the time, from 45 days to 30. The Russian Transport Ministry projects that the north-south route will handle over 15 million tons of containerized freight each year. Its Russian end requires improvements at the port of Astrakhan, where the Volga River empties into the Caspian Sea. Minister of Transport Frank and Prime Minister Mikhail Kasyanov have visited that southern port (the northernmost city where the lotus flower grows, as the Asia-oriented city officials of Astrakhan say), several times in recent months.

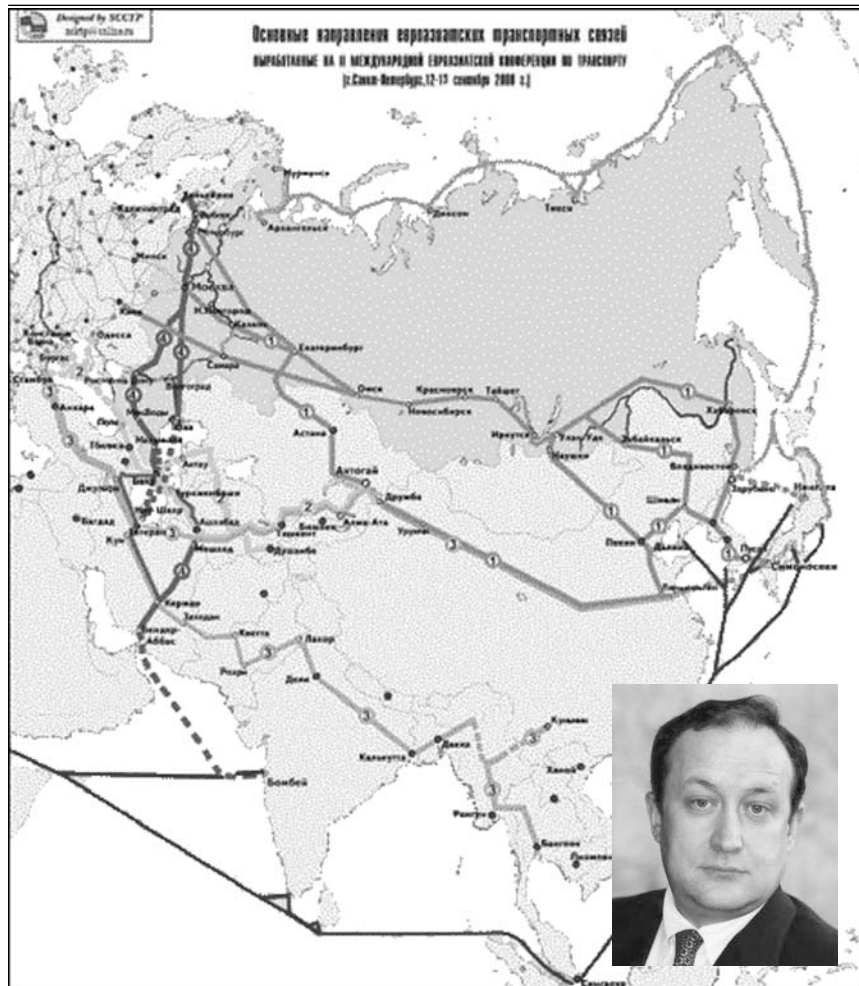
Shcherbanin told *Kommersant* daily on May 8 that the north-south corridor will feature, besides the Caspian Sea crossing, two rail lines, on either side of the Caspian—one through the Caucasus countries, and one reaching into the Central Asian republics (See **Figure 1**). Accordingly, Iran and Kazakstan were both engaged in Eurasian rail development diplomacy during April and May.

Eurasian transport corridors were on the agenda of a conference in Almaty, Kazakstan at the end of April. Vice-Premier Viktor Khristenko, who led the Russian delegation, spoke about the great promise of a web of rail spurs and cross-links between the Trans-Eurasian rail corridors (China-Germany) and the north-south corridor area, especially increasing the linkages between Iran's rail grid and Central Asia, and thus the volume and speed of overland freight shipments from Europe to the Indian Ocean. The discussion was concretized in a resolution calling for "a grandiose transportation corridor, linking East Asia to Western Europe," in which "technical cooperation in the railway sector, between Kazakstan and China, has a decisive role."

The Eurasian north-south Transport Corridor was also on the agenda of the May 16 meeting between Ali Akbar Hashemi Rafsanjani, chairman of the Expediency Council

FIGURE 1

**2001: Russian Ministry of Transportation's 'Main Directions'**



Posted on the Internet site of the Russian Ministry of Transportation ([www.mintrans.ru](http://www.mintrans.ru)), this is a map of the "Main Directions of Eurasian Transport Lines," developed at the Second International Eurasian Conference on Transport (September 2000, St. Petersburg, Russia). It shows the three main east-west "Land-Bridge" routes (compare Figure 3); and the new north-south corridor from India to Europe via Iran and Russia. (Inset: Russian Transport Minister Sergei Frank, who announced the Eurasian Transport Union May 14.)

of Iran, and Kazak Ambassador to Iran Tulegen Zhukeyev. Rafsanjani supported Kazakstan's accession to the north-south corridor. On the Iranian side, he said the inauguration of a new link from the Caspian port of Amirabad to the national rail grid, will make for increased shipments between Central Asia and the Caucasus, and Asia and the Persian Gulf via Iran.

Crucial to Eurasian development, is an upgraded relationship of Russia's transportation system with that of Western Europe—the interface of Western Europe's historical "Productive Triangle" with the Eurasian Land-Bridge, in LaRouche's original conception. Coincident with the EATU announcement, Russian President Vladimir Putin held a sum-

mit with the European Union May 17 in the Kremlin, meeting EU Commission President Romano Prodi and Prime Minister Göran Persson of Sweden, current EU President. Foreign Minister Igor Ivanov announced that the two sides had decided to form a high-level commission on creating "a single economic space" between them. The Internet site Strana.ru reported, "Putin noted that one of the most promising directions of interaction is the area of science and technology," which he added had been agreed upon as the key topic for the next Russia-EU summit.

In *Kommersant* of May 8, Sergei Frank emphasized that "Russia's international corridors are a natural extension of European communications lines in the direction of South and Southeast Asia." While Russia has already negotiated with the EU to extend Pan-European Corridor No. 2 eastwards to Nizhny Novgorod, then on to Yekaterinburg and the Trans-Siberian Railroad, Frank urged faster action on taking Pan-European Corridor No. 9 (Helsinki-St. Petersburg-Moscow-Kiev-Bucharest; i.e., southeast on the western side of the Black Sea) also eastwards to Russia's Black Sea port of Novorossiysk and to Astrakhan.

The Russia-EU summits are just the most prominent among recently stepped up Russian-European consultations, including bilateral ones, which have increasingly featured plans for economic development. As the speculative financial bubble deflates, the prospect for real-sector economic cooperation with the East—the missed opportunity of a decade ago—looks

more and more attractive.

How will Russia take up its "pivotal role," as LaRouche discussed it, in shifting the situation throughout Eurasia towards cooperation for development? It is far from a smooth process, since the economic sectors involved—transportation infrastructure, and energy—have simultaneously been targets for looting by international financiers. Reform of Russia's "natural monopolies," as these infrastructure subsectors are known, is the subject of raging policy fights.

On May 15, Minister of Transport Frank said that a "federal complex program" for the modernization of the transport, will be presented by his ministry by the end of June. (He and Minister of Railroads Nikolai Aksyonenko have revealed that

their ministries will likely merge.) Papers about the new program are posted on the Ministry of Transport website, among them a document titled “The Formation and Development of International Transport Corridors (ITC) on the Territory of Russia,” which details the east-west and north-south Eurasian corridors.

The “ITC” document has glimmers of a true “corridor” conception—as a zone of concentrated high-technology investment, which drives an entire economy. “The results of the creation and development of ITC on the territory of the Russian Federation,” write the Ministry of Transport experts, “go beyond the framework of solving just transportation problems. They will exert a positive influence not only on the performance of the national transport system, but also on macroeconomic indicators, due to the multiplier effect of the implementation of these programmatic measures.”

Yet, the very same document makes obeisance to the failed dogmas of globalization.

ITC development requires 450 billion rubles of investment (\$15 billion), according to Frank. In drafting plans for railway reform, as in the energy sector, the Russian government walks through a minefield of schemes for deregulation and privatization. Some of them threaten to expose segments of the infrastructure to asset-stripping through privatization, in the name of “investment,” or to put users at the mercy of financial sharks who come to control infrastructure systems. On May 19, the government approved a compromise plan for break-up and privatization of the United Energy Systems (UES) electricity giant, albeit with a three-year delay before implementation, and with assurances that the transmission and operating functions will remain under a state-owned company. A similar process is under way for the railroads.

Just now, however, UES executive and privatization proponent Anatoli Chubais may be about to make a fool of himself and bring home to Russia a devastating lesson on the perils of privatization. Visiting the United States to court investors in UES’s soon-to-be-spun-off daughter companies, Chubais will meet with Vice President Richard Cheney, and then proceed to “get to know the liberal reforms in U.S. electricity markets,” which UES maintains have been a smashing success in 20 states!

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## Chronology

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# LaRouche’s ‘Land-Bridge’ Strategies in Russia

**1989-1990.** As the Berlin Wall came down, Lyndon LaRouche proposed crash development of high-speed rail transport in the area framed by Paris, Berlin, and Vienna. This “Productive Triangle,” the heart of Western Europe since the

time of Charlemagne, represents the greatest energy flux density in industry and concentration of skilled manpower, on the planet. Within a few months of the border’s opening, Helga Zepp-LaRouche’s Schiller Institute in Europe distributed over a million pieces of literature on the Productive Triangle idea, as a driver for real economic recovery worldwide. The program, with its maps of the “galactic spiral arms” of the triangle (**Figure 1**), circulated in nearly a dozen languages, including German, Russian, Polish, Czech, Hungarian, and Romanian, by the end of 1990.

**March 1991.** The “Berlin Declaration” was adopted by the Schiller Institute’s conference, “Infrastructure for a Free Europe,” attended by over 100 economists and political activists from 17 countries. It appealed to “the governments of Eastern and Western Europe, to make the “Productive Triangle” the centerpiece of their government policy.” The conference participants and supporters circulated the policy initiative over the following months. By the Schiller Institute’s second Berlin conference in November 1991, some 400 participants, now from over 30 countries including the republics of the Soviet Union (then breaking up), deliberated on “ ‘The Productive Triangle’: Cornerstone of an All-Eurasian Program of Infrastructure Development.”

**October 1991.** At the First All-European Conference on Transport, held in Prague, transport ministers from sixteen nations resolved on the need for a common European infrastructure network. Schiller Institute representatives present distributed the Productive Triangle program and discussed LaRouche’s concept of energy-intensive, technology-intensive corridor development.

**1992.** The Schiller Institute elaborated the “spiral arms” of the Productive Triangle, as a network of transcontinental Eurasian development corridors (**Figure 3**). The concept soon resonated in China, where attention to the potential for development along the new Eurasian Land-Bridge began to intensify, after the link-up of China’s rail system to the Soviet system was made at the Alatau Pass in 1990, becoming operational in 1992.

**Winter 1993-1994.** The Transport Infrastructure Committee of the European Union, under Jacques Delors, proposed the “Delors Plan” for extending Western European rail lines into Eastern Europe. At its heart was the completion of the so-called Trans-European Network (TEN). The Delors proposal aimed to expand existing national high-speed rail projects, such as the French TGV and Germany’s ICE, into the most modern rail grid in the world: “The establishment of networks of the highest quality throughout the whole Community and beyond its frontiers is a priority task. The potential to create jobs is substantial, both directly by initiating the large-scale projects, and through the beneficial effects in the long-term on production conditions in Europe.” The Delors Plan map closely mirrored LaRouche’s Productive Triangle proposal, but omitted the war-torn Balkans.

**March 1994.** The Second All-European Conference on Transport, held on the island of Crete, adopted the perspective